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In the Supreme Court

OF THE

United States

OCTOBER TERM, 1969

No. 506

BAKER OIL TOOLS, INC.,
Petitioner,

vs.

KIVA CORPORATION,
Respondent.

PETITION FOR A WRIT OF CERTIORARI
to the United States Court of Appeals
for the Fifth Circuit

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PETITION FOR A WRIT OF CERTIORARI
to the United States Court of Appeals for the Fifth Circuit

Baker Oil Tools, Inc. prays that a writ of certiorari issue to review the judgment of the United States Court of Appeals for the Fifth Circuit entered in the above-entitled case on May 29, 1969, a copy of said judgment being found at Tr. 681 and appended hereto as Appendix B.

CITATION TO OPINIONS BELOW

The opinion of the United States Court of Appeals for the Fifth Circuit (Tr. 665) is reported at ..... F.2d....., and a copy thereof is appended hereto as Appendix C.

There was no opinion by the District Court. Copies of the Jury Verdict (Tr. 63) and Judgment (Tr. 76) of the District Court are appended hereto as Appendices D and E, respectively.

JURISDICTION

The date of the judgment of the Court of Appeals (Tr. 681, Appendix B, infra) was May 29, 1969, and said judgment was entered on May 29, 1969.

Jurisdiction is conferred upon this Court to review the judgment of the Court of Appeals by writ of certiorari by the United States Code, Title 28, Section 1254(1).

QUESTIONS PRESENTED

First Question

Under the applicable decision of this Court, a prior public use of a patented invention cannot be established by the oral testimony of a single witness, unless such testimony of use is corroborated.

The question presented is whether such corroboration can be supplied by evidence which by itself neither shows nor suggests that the invention was so used.

Second Question

The question presented is whether the "accepted and normal cause of judicial proceedings" has been followed:

(a) When legal issues are decided by a jury and the decision adopted by the court as its own, without any explanation, analysis or discussion by the district court or the court of appeals as to the propriety of such decision;

(b) When obviously conflicting answers of a jury to special issues are "reconciled" without any explanation, analysis or discussion by the district court or court of appeals as to how such reconciliation is possible.

CONSTITUTIONAL PROVISION INVOLVED

The Congress shall have power—To promote the Progress of Science and Useful Arts by securing for limited Times to Authors and Inventors, the Exclusive Right to their respective Writings and Discoveries. U. S. Const., Art. I, Sec. 8.

STATUTORY PROVISIONS INVOLVED

The statutes involved are Sections 101, 102, 103 and 112 of the Patent Act of 1952, c. 950, 66 Stat. 792, 35 U.S.C., §§101, 102, 103 and 112. They are printed in Appendix A, infra.

STATEMENT OF THE CASE

This action was commenced (Tr. 8) by respondent, Kiva Corporation, who sought a declaratory judgment that two of petitioner's patents were invalid and not infringed. A jury trial was demanded (Tr. 18). Petitioner, Baker Oil Tools, answered and counterclaimed (Tr. 19 and 29), asserting that the two patents were valid and infringed.

The two patents in suit, Nos. 2,799,346 and 2,806,532 (Exhibits 1 and 3, Tr. 1 and 16, Vol. III), were both filed in the Patent Office on the same day, October 12, 1953, and relate to oil well tools known as retrievable bridge plugs. These are tools which may be run into an oil well casing and anchored at a desired point to the casing to prevent flow of well fluid up or down past the plug. Later, the tool may be disengaged from the well casing and retrieved from the well.

The '346 patent discloses a complete retrievable bridge plug, and a separate tool for running and retrieving the bridge plug. The claims of this patent cover the retrievable bridge plug alone. The '532 patent discloses the very same retrievable bridge plug, the very same running and retrieving tool and in addition another separate well tool called an upper packer. The claims of the '532 patent are directed to the combination of the three tools, the retrievable bridge plug, the running and retrieving tool and the upper packer, and to methods of running these three tools in conjunction with each other.

Prior to the trial, respondent stipulated that if the '532 patent were valid it had been infringed (Tr. 40).

At the trial, respondent relied upon the oral testimony (Tr. 311-341) of a single witness, V. L. Greenroyd, to establish that the '532 invention was in prior public use. Mr. Greenroyd testified that during the period from 1950 to 1953 (15-18 years prior to his testimony and during which time he was running oil well tools at least three or four times a week, Tr. 330), on four particular jobs he ran specific tools and operated them in a specific manner as claimed in the '532 patent. Physical specimens of well tools were introduced in evidence (Exhibits 53, 54 and 121) and Mr. Greenroyd testified that the tools he had run in 1950-1953 were "like" them. There was no proof as to when the tools introduced in evidence were made, although there was testimony of D. H. Fidler that these tools existed in *1964* (Tr. 619). The only other exhibits were the job tickets and invoices (Exhibits 44-51, Tr. 104-114, Vol. III) for the four jobs on which Mr. Greenroyd testified that the prior public uses occurred.

Although these job tickets and invoices show that work was performed on specific dates for specific customers, *Mr. Greenroyd admitted that they do not show what tools were used or how such tools were used and that such details of his testimony of prior public uses came only from his recollection* (Tr. 335-336).

Petitioner moved to have this oral testimony disregarded, because of lack of corroboration (Tr. 42). The motion was denied (Tr. 42) and the jury held that a prior public use had been established, that the '532 invention was not new, and that it was obvious (Special Issues Nos. 13, 12 and 10, Tr. 67, Appendix D, infra). Petitioner moved for judgment n.o.v. or for a new trial,

pointing out that the oral testimony was not corroborated (Tr. 72). These motions were denied without comment (Tr. 79), and judgment was entered holding the '532 patent invalid (Tr. 76, Appendix E, infra). On appeal, the judgment with respect to the '532 patent was affirmed on the basis that if oral testimony of a prior public use is not contradicted nor impeached nor improbable on its face, then such testimony is sufficient if "supported by writings" (the job tickets) even though such "writings" do not themselves show that the invention was in prior public use.

Evidence was submitted at the trial to show that a Model A retrievable bridge plug, *as illustrated and described in both patents,* had been built and run by petitioner and that difficulties had been experienced with the tool. In response to Special Issues Nos. 3 and 4 (Tr. 64, Appendix D, infra) as to whether the patents illustrated and described "an operative device", the jury answered "It does" with respect to the '532 patent and "It does not" with respect to the '346 patent.

Evidence was also submitted showing that a second model retrievable bridge plug, Model B, was built by petitioner and run fifteen times before the filing date of the patents in suit (which illustrated the Model A plug). Fourteen of these runs were successful, although constant difficulty was had with the Model B plug. Special Issues Nos. 1 and 2 (Tr. 63, Appendix D, infra) were presented to the jury as to whether the patents in suit failed to show the "best embodiment" contemplated by the inventors for carrying out their invention at the time of filing for the patents in suit, i.e., whether, at October 3, 1953,

the inventors did not contemplate the Model B plug then in use by petitioner to be better able to carry out their invention than the Model A plug shown in both patents. The jury answered "They did" with respect to the '346 patent and "They did not" with respect to the '532 patent.

Special Issues Nos. 11, 9 and 15 (Tr. 66-69, Appendix D, infra) as to "newness" (under 35 U.S.C. §101) and "obviousness" (35 U.S.C. §103) and infringement of the '346 patent (in spite of the lack of conflict as to how the accused device was constructed or operated) were presented to and decided by the jury adverse to petitioner.

In moving for judgment n.o.v. or for a new trial (Tr. 72), petitioner, pointing out the conflict in the answers to the special issues and the error of submitting legal issues as to the standard of invention to the jury. The motions were denied, without comment (Tr. 79), and judgment entered in accordance with the verdict, holding the '346 patent to be invalid and non-infringed (Tr. 76, Appendix E, infra).

On appeal, the Court of Appeals affirmed the judgment of invalidity of the '346 patent, stating without elaboration or explanation that the conflicting jury verdicts were not in irreconcilable conflict. The Court of Appeals also stated that the verdicts of the jury (including the special issues as to whether the '346 patent met the legal standard of invention) were fundamentally "factual" in nature and supported by substantial evidence in the record as a whole. The Court expressly refrained, as had the District Court, from rendering an independent judicial assessment of the newness or obviousness of the '346 patent.

REASONS FOR GRANTING THE WRIT

I. FIRST QUESTION

1. The holding of the court below is plainly contrary to the applicable decisions of this Court.

A prior public use, if proven, may be used to invalidate a later issued patent (35 U.S.C. §102(a) and (b), Appendix A, infra). The degree of proof necessary to establish such a "prior public use" has been stated by this Court in *Smith v. Hall,* 301 U.S. 216; 57 S.Ct. 711; 81 L.Ed. 1049:

> "* * * This oral testimony, if taken at face value, would show that the Smith method was used in the Brooklyn incubator with eggs in staged incubation. But, without corroboration, it is insufficient to establish prior use. The Barbed Wire Patent, 143 U.S. 275, 284, 12 S.Ct. 443, 450, 36 L.Ed. 154; Deering v. Winona Harvester Works, 155 U.S. 286, 300, 15 S.Ct. 118, 39 L.Ed. 153; Eibel Process Co. v. Minnesota & Ontario Paper Co., 261 U.S. 45, 60; 43 S.Ct. 322, 327, 67 L.Ed. 523 * * *"

In *Smith* there was oral testimony that an incubating method had been carried out in the same way as later claimed in the Smith patent in suit. It was held that a prior public use had been proven because there was corroborating evidence of the *details of the claimed method* that was so complete it could have itself been the basis for the Smith patent.

Contrarily, in *The Barbed Wire Patent, Deering,* and *Eibel Process,* oral testimony of a prior public use was held insufficient to establish such use, where the "corroborating" evidence showed only that some use might have occurred *but not that the particular invention was*

in fact used. In *The Barbed Wire Patent,* 34 witnesses testified that Morley had exhibited a barbed wire fence at a fair in Delhi, Iowa. This Court said:

> "While we think that the testimony goes far to establish the fact that Morley exhibited a wire fence at this fair, and perhaps also used it upon his farm at about the date claimed, we are far from being satisfied that it was the Glidden device, or so near an approximation to it as to justify us in holding that it was an anticipation."

In *Eibel Process* this Court noted that "there is not a single record, letter, or specification of prior date to Eibel's application *that discloses any such discovery by anyone.*"

The plain rule announced by this Court is that oral testimony as to the prior use of a later invention is insufficient unless there is corroborating evidence disclosing that such invention was so used.

The court below noted petitioner's argument that the oral testimony was insufficient because the written job tickets (Exhibits 44-51, Tr. 104-114, Vol. III) did not disclose the use of the invention. There is no need to examine or weigh the evidence on this fact—the witness Greenroyd admitted that the job tickets did not tell what tools were used or how they were used (Tr. 335-336). Yet, the court held that such job tickets were sufficient, as "writings", to support the oral testimony of the witness's practice of the invention.

The rule enunciated and repeated by this Court over the past 75 years has now been abandoned by the court below. The rule now adopted is that if there are "writ-

ings'' which establish only that a witness was at a particular place where an invention *could* have been practiced, then any oral testimony as to what the witness did at such place is sufficient if believed and not improbable on its face. The burden no longer is on the infringer to corroborate the oral testimony as to what the witness testified he did, it is on the patentee to disprove such uncorroborated testimony.

The failure of the court below to follow the long announced rule of decision of this Court requires review and correction.

2. The question presented is one of obvious importance, as indicated by the number of times over the years that this Court has gone into the problem, such as in *The Barbed Wire Patent,* 143 U.S. 275, 12 S.Ct. 443, 36 L.Ed. 154; *Deering v. Winona Harvester Works,* 155 U.S. 286, 15 S.Ct. 113, 39 L.Ed. 153; *Eibel Process Co. v. Minnesota & Ontario Paper Co.,* 261 U.S. 45, 43 S.Ct. 322, 67 L.Ed. 523; *Corona Cord Tire Co. v. Dovan Corporation,* 276 U.S. 358, 48 S.Ct. 380, 72 L.Ed. 610; *Smith v. Hall,* 301 U.S. 216, 57 S.Ct. 711, 81 L.Ed. 1049. The reasons for the requirement of corroboration of oral testimony as to the use of the *invention* have been thoroughly discussed in these cases, and need not be here reviewed.

If this long established requirement is now to be eliminated, it should be done by this Court, not by the court below.

3. The question presented has widespread significance. In the great majority of actions for patent infringement, a defense is asserted that the patent in suit is invalid in view of the prior art. Since prior public uses are prior

art, then a change in the standard of proof required to prove such uses could affect virtually all pending patent infringement actions not yet tried, and all such actions as may be brought in the future.

II. SECOND QUESTION

The Court of Appeals and the District Court have so far departed from the accepted and usual course of judicial proceedings as to call for this Court to exercise its power of supervision and correct the abuse.

The action of the courts below have stripped petitioner of its rights in the two patents in suit. With respect to the '532 patent, petitioner at least knows the basis for the decision, namely, that the court below no longer requires corroboration of oral testimony of the use of an invention to prove a prior public use thereof.

With respect to its loss of the '346 patent, petitioner is at a point of complete frustration. The jury decided both the legal and factual issues pertaining to this patent. The District Court adopted the legal conclusions of the jury without any comment, discussion or explanation which would show why such conclusions were proper or that they truly represented the conclusion of the court. The Court of Appeals expressly declined to evaluate the merits of these legal conclusions. The factual matters found by the jury were in conflict. Although the conflict was pointed out to the District Court, judgment was entered, based thereon. Theoretically, by entering such judgment, the District Court found some way to reconcile the conflict, but gave no explanation of how this could

be accomplished. Petitioner then brought this conflict to the attention of the Court of Appeals. That court disposed of the matter by simply saying there was no conflict. Again, no reason or explanation was offered as to how this could be so.

When a court acts to take away one's property, surely justice requires some explanation by the court as to the propriety of its action.

Second Question, Part (a)

1. Involved in this question are the roles of the judge and jury in patent infringement actions. In *Graham v. John Deere,* 383 U.S. 1, 14; 86 S.Ct. 684, 692; 15 L.Ed.2d 546, the ultimate question of patentability is stated to be one of law. Under 35 U.S.C. §103 (the obviousness provision, Appendix A, infra), "The scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved." These, of course, are factual matters, which a jury can find. Against this background of facts, the ultimate question of law as to obviousness or non-obviousness of the subject matter is to be determined. This judicial determination is to be made by the court.

Although prior art patents were introduced in evidence by respondent to show the state of the art relative to the '346 patent, the jury was not called upon, by way of special issues, to find the differences between such prior art and the claims at issue, nor was the jury requested to find the level of ordinary skill in the art.

Instead, the jury was simply asked, in the language of 35 U.S.C. §103, as to whether the invention of the '346

patent was obvious to one skilled in the art (Special Issue No. 9, Tr. 66, Appendix D, infra). The determination of this ultimate question was accepted by the District Court, without comment, and judgment of invalidity entered. The Court of Appeals affirmed, refraining from any discussion of the propriety of such determination except for the general statement that the "verdicts are supported by substantial evidence in the record as a whole."

2. The abdication by the district court of its responsibility to decide the legal issue before it is plainly not the accepted and normal course of judicial proceedings.

> *W. R. Grimshaw Company v. Nevil C. Withrow Co.*, 248 F.2d 896, 901 (C.A. 8, 1957).
>
> "The contrast being in writing did not present any factual matter for jury determination but solely a question as to its legal effect upon the parties. That question was for the court to determine. * * * We hold, therefore, that it was error to submit this interrogatory to the jury as it was incumbent on the court to construe the contract as a matter of law."

3. Petitioner is entitled to an independent judicial evaluation of its '346 patent. This it has not had. An adoption by the district court of the jury's determination, without comment, hardly shows an independent evaluation by that court. An affirmance, similarly without discussion, hardly shows an independent judicial determination by the Court of Appeals.

This failure of the courts below to afford any explanation or justification for the legal decisions involved is a dangerous departure from usual judicial proceedings.

4. The procdure followed below can have widespread and grave results if it is not corrected. The Court of Appeals declined to explain its conclusions on the ground that an evaluation "could contribute nothing of importance to the existing law". Certainly it is important to render an opinion when a new principle of law is enunciated. However, it is equally important for a court to discuss the application of existing law to the matter before it so that it may be seen whether the correct existing law is applied or if it is correctly applied.

If courts have no duty to substantiate their judicial determinations, save in those cases in which the court believes an "important addition" to existing law is being made, then the way is plainly open for arbitrary and capricious decisions.

Also, if no reasons are set forth by a court for its conclusions, the review process will be greatly hampered. The present action well illustrates this. The *only* discussion by the courts below of the law as applied to the facts of the case is that made by the Court of Appeals in connection with a prior public use. On this the law applied was palpably erroneous. By the failure of the courts below to discuss any other matter, petitioner is unable to tell whether the law on the other matters was any more correctly applied.

Second Question, Part (b)

1. In the present action there are answers of the jury as to material issues that are plainly conflicting on their face. As noted before, the '532 patent (Exhibit 3, Tr. 16, Vol. III) discloses a particular retrievable bridge plug, a

running and retrieving tool and an upper packer, and has apparatus and method claims to the combination of these three tools. The '346 patent (Exhibit 1, Tr. 1, Vol. III) discloses the same retrievable bridge plug and running and retrieving tool, and has apparatus claims to the retrievable bridge plug alone. The following special issues (Tr. 63, Appendix D, infra) were presented to the jury:

"Special Issue No 1

"Do you find from clear and convincing evidence that the applicants for patent '346, at the time of filing the application on October 12, 1953, did not set forth the best mode contemplated by them of carrying out their invention?

"Answer—They did not.

"Special Issue No. 2

"Do you find from clear and convincing evidence that the applicants for patent '532, at the time of filing the application on October 12, 1953, did not set forth the best mode contemplated by them of carrying out their invention?

"Answer—They did.

"Special Issue No. 3

"Do you find from clear and convincing evidence that the '346 patent does not illustrate and describe an operative device?

"Answer—It does not.

"Special Issue No. 4

"Do you find from clear and convincing evidence that the '532 patent does not illustrate and describe an operative device?

"Answer—It does."

These are material issues, since a failure to show the "best mode" would render a patent invalid under 35 U.S.C. § 112 (Appendix A, infra) and a failure to show an operative device would render a patent invalid under 35 U.S.C. § 101 (Appendix A, infra). There is a plain conflict in the answers, since if the retrievable bridge plug of the '532 patent is operative and the best mode contemplated, then the *same* retrievable bridge plug in the '346 is also operative and the best mode contemplated.

A further conflict exists with respect to the answer to Special Issue No. 5 (Tr. 64, Appendix D, infra):

> "Do you find from clear and convincing evidence that the specification of the '346 patent does not contain a written description of the invention and of the manner and process of making and using it in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains or with which it is most nearly connected to make and use the same?
>
> "Answer—It does."

Thus, in answer to Special Issue No. 3, the jury said that the device of the '346 patent is not "operative". Yet at the same time the jury, in answer to Special Issue No. 5, said that the '346 patent contained a description sufficient enough for the invention to be used. The conflict is manifest. A patent cannot show an inoperative, and hence unusable, device and at the same time show one how it can be used.

2. There is no doubt but that a court should harmonize conflicting jury answers, if at all possible. *Gallick v. Balti-*

more and Ohio Railroad Company, 372 U.S. 108, 119; 83 S.Ct. 659, 666; 9 L.Ed.2d 618. At the same time, if the answers are so conflicting that they cannot be reconciled, the cause must be reversed for a new trial. *Royal Netherlands Steamship Co. v. Strachen Shipping Co.,* 362 F.2d 691, 694 (C.A. 5, 1966).

3. Petitioner is aware of the many opinions of this Court which state that it should not be the function of this Court to simply serve as a further court of review and again examine records and explain whether jury answers are in conflict or not.

However, the main vice of the actions of the courts below with regard to the conflicting answers, and the reason why petitioner seeks relief here is that there has been no apparent effort below to reconcile the conflicting answers. The conflict was pointed out to the District Court by petitioner in its Motion for New Trial. This motion was denied, without comment. The conflict was pointed out to the Court of Appeals. The judgment was affirmed with a simple statement:

> "Baker submits that some of them are in irreconcilable conflict but we do not find them so."

No explanation was given as to this conclusion, and the court expressly declined to give any such explanation.

4. *Gallick* says that when conflicts are present, it is the duty of the court to attempt to harmonize the conflicts. In those cases which this Court has taken, it has carefully set forth its reasonings as to whether conflicts are actual or merely apparent. No lesser duty should exist in the courts below.

5. The courts below, by their failure to offer any explanation for their actions, plainly have departed from the accepted and usual course of judicial proceedings, and their action should be reviewed and corrected by this Court.

6. This question has importance far beyond the present cause. A determination by this Court of whether or not the courts below were correct in the reasons for concluding that the jury answers in this particular cause are not in irreconcilable conflict would, of course, be of little value in another case with different facts. However, if the unexplained action of the courts below is now to be considered as the "accepted and usual" course of judicial proceedings, then the case would have a substantial precedential value as sanctioning judicial action without discussion of reasons therefor.

CONCLUSION

For the foregoing reasons, this petition for writ of certiorari should be granted.

Dated, San Francisco, California,
August 18, 1969.

Respectfully submitted,
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(Appendices Follow)

Appendix A

PATENT ACT OF 1952, C. 950, 66 STAT. 792, §§ 101, 102, 103, 112, 35 U.S.C. §§ 101, 102, 103, 112

§ 101. Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

§ 102. A person shall be entitled to a patent unless—

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent, or

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States, or

(c) he has abandoned the invention, or

(d) the invention was first patented or caused to be patented by the applicant or his legal representatives or assigns in a foreign country prior to the date of the application for patent in this country on an application filed more than twelve months before the filing of the application in the United States, or

(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or

(f) he did not himself invent the subject matter sought to be patented, or

(g) before the applicant's invention thereof the invention was made in this country by another who had not abandoned, suppressed, or concealed it. In determining priority of invention there shall be considered not only the respective dates of conception and reduction to practice of the invention, but also the reasonable diligence of one who was first to conceive and last to reduce to practice, from a time prior to conception by the other.

§ 103. A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

§ 112. The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is mostly nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor of carrying out his invention.

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention. A claim may be written in independent or dependent

form, and if in dependent form, it shall be construed to include all the limitations of the claim incorporated by reference into the dependent claim.

An element in a claim for a combination may be expressed as a means or step for performing a specified function without the recital of structure, material, or acts in support thereof, and such claim shall be construed to cover the corresponding structure, material, or acts described in the specification and equivalents thereof. (Amended July 24, 1965, Public Law 89-83, sec. 9, 79 Stat. 261.)

Appendix B

United States Court of Appeals
For the Fifth Circuit

October Term, 1968

No. 26733

D. C. Docket No. Civ. 7-231

Kiva Corporation,
Plaintiff-Appellee,
vs.
Baker Oil Tools, Inc.,
Defendant-Appellant.

Appeal from the United States District Court for the Northern District of Texas.

Before Coleman and Godbold, Circuit Judges, and Scott, District Judge.

JUDGMENT

This cause came on to be heard on the transcript of the record from the United States District Court for the Northern District of Texas, and was argued by counsel;

On Consideration Whereof, It is now here ordered and adjudged by this Court that the judgment of the said

District Court in this cause be, and the same is hereby, affirmed;

It is further ordered that defendant-appellant pay to plaintiff-appellee, the costs on appeal to be taxed by the Clerk of this Court.

May 29, 1969

Appendix C

In The
United States Court of Appeals
For the Fifth Circuit

No. 26733

Kiva Corporation,
Plaintiff-Appellee,
vs.
Baker Oil Tools, Inc.,
Defendant-Appellant.

Appeal from the United States District Court for the Northern District of Texas.

(May 29, 1969)

Before Coleman and Godbold, Circuit Judges, and Scott, District Judge.

Coleman, Circuit Judge: In the District Court judgment was entered, pursuant to the verdict of a jury, declaring invalid Baker Oil Tool Patents No. 2,799,346 ('346) and No. 2,806,532 ('532) relating to certain oil well tools known as "retrievable bridge plugs". We affirm.

Kiva Corporation, plaintiff below and appellee here, sought a declaratory judgment that the two patents were invalid, or, if invalid not infringed by Kiva. Baker answered and counterclaimed, asserting that Kiva had, in fact, infringed. At pre-trial Kiva stipulated that if '532 is valid then it had been infringed. The case went to the jury on special interrogatories, with the result above stated. Baker's motions for a judgment notwithstanding the verdict and for a new trial were denied. The appeal followed.

In response to the special interrogatories, the jury found that Patent '532 was in prior public use, was not new, and was obvious. It likewise found that Patent '346 did not disclose an operative device, did not disclose the "best mode", was not new, and was obvious. The jury further determined that Kiva did not infringe '346.

Baker vigorously contends that each and all of the jury findings are clearly erroneous; that the court erred in submitting issues as to obviousness, newness, and infringement to the jury; that the court erred in denying Baker's motion for a directed verdict and a judgment notwithstanding the verdict; and the court particularly erred in refusing to instruct the jury to disregard the testimony of the witness Greenroyd as to prior use of '532.

In *Micr-Shield Company v. First National Bank of Miami,* 5 Cir., 1968, 404 F.2d 157, 161 cert. denied ..... U.S. ..... [37 L.W. 3378], this Court defined appellate function in a case of this kind:

> "There can be no real dispute between the parties as to the applicable law which controls our decision. For the most recent statement of these principles in

this circuit see *Metal Arts Co. v. Fuller Co.* (5 Cir., 1968), 389 F.2d 319. As pointed out there, while patent validity is a question of law, it is to be 'decided on the basis of factual inquiries'. *Graham v. John Deere Co.* (1966) 383 U.S. 1, 86 S. Ct. 684, 15 L.Ed.2d 545. In *Graham,* as we pointed out in the *Metal Arts Company* case, supra, 'the court noted several preliminary factual inquiries which are pertinent in determining validity in the face of the defense based on obviousness, but the principle is equally applicable to a defense involving lack of novelty. Two of these are the scope and content of the prior art and the difference between the prior art and the claims in issue. The conclusionary inquiry then is to determine the question of novelty vel non on the basis of the preliminary findings. The clearly erroneous rule applies in such cases. *Hughes Tool Co. v. Varel Mfg. Co.,* 5 Cir., 1964, 336 F.2d 61'.

"It is also pointed out in the *Metal Arts* case that a finding of prior public use as a defense must be based on evidence that is 'clear, satisfactory, and by some it is said beyond a reasonable doubt * * *', citing *Southern Implement Mfg. Company v. McLemore* (5 Cir., 1956) 350 F.2d 244."

Most recently, in a decision dated April 7, 1969, this Court en banc defined the standard for the sufficiency of the evidence in connection with motions for directed verdicts and for judgments notwithstanding the verdict, *The Boeing Company v. Shipman,* [No. 24,588] ..... F.2d .....:

"If the facts and inferences point so strongly and overwhelmingly in favor of one party that the Court believes that reasonable men could not arrive at a contrary verdict, granting of the motions is proper. On the other hand, if there is substantial evidence of such quality and weight that reasonable and fair-

minded men in the exercise of impartial judgment might reach different conclusions, the motions should be denied, and the case submitted to the jury. A mere scintilla of evidence is insufficient to present a question for the jury. The motions for directed verdict and judgment n.o.v. should not be decided by which side has the better of the case, nor should they be granted only when there is a complete absence of probative facts to support a jury verdict. There must be a conflict in substantial evidence to create a jury question. However, it is the function of the jury as the traditional finder of the facts, and not the Court, to weigh conflicting evidence and inferences, and determine the credibility of witnesses."

I

The Factual Aspects

The function of the retrievable drill plug may be illustrated in the following manner: An oil well may descend through several oil producing zones. The thickness of each zone and the spacing between zones varies according to the particular geological formations which may be encountered and drilled. To extract oil from each zone a hollow casing is placed into the drill hole and cemented into place. This casing at each zone is then perforated so as to open holes into the formation from which the oil is sought to be recovered.

Many formations contain rock, sand or other materials which prevent the flow of oil into the casing. To stimulate the flow into the casing, the zones or formations are chemically treated. Two common methods are used: (1) *acidizing*, whereby acid is forced through the perforations and into the formations, causing the rocks

(usually limestone) to be eaten away and thus increasing the size of the passage for the oil to flow into the casing; and (2) *fracturing,* whereby a fluid is forced through the perforations, building up pressure in the formation, causing it to fracture and open cracks, thus allowing oil to flow into the casing.

Each zone has to be treated independently of all others in order to create a pressure and force the fluid into that particular zone.

Before development of the retrievable bridge plug, a zone was isolated either by use of a permanent bridge plug or a straddle packer.

A. The permanent bridge plug — To seal off a zone using a permanent bridge plug, a plug is run down the well and anchored to the casing at a point below the zone to be treated. This is to prevent the fluid from flowing in the casing above or below the plug. Next, tubing is placed in the casing and a retrievable packer is run on the tubing down the well and above the perforations in the zone which is to be treated. As a consequence, the zone is sealed off from other zones. The fluid is then pumped down the tubing and through the perforations into the zone.

To treat another zone, the retrievable packer is removed from the well, a second permanent bridge plug is inserted below the next zone, and the retrievable packer is again sent down the casing to a point above the zone to be treated. Each zone is similarly treated. The disadvantage of this method is that a permanent bridge plug cannot be retrieved, and to reopen the well, each bridge plug be drilled out. In addition, it is a time-consuming

process to remove the retrievable packers each time a zone is treated.

There are, however, two advantages to the permanent bridge plug system: (1) since the plug and the packer are not physically connected, they may be flexibly fitted to conform to the varying depths of each zone; (2) both the plug and the packer are attached to the casing by toothed slips, permitting a great amount of pressure to be exerted on the casing before the plug will break.

B. The straddle packer — In this instance, two packers, upper and lower, are used. These are physically connected and separated by tubing. As a unit, these packers are run down the casing and positioned so that the packers straddle the perforations in each zone. The advantage to this system is that all zones may be treated without having to remove the packers, and after treatment, the equipment may be recovered.

But like the permanent bridge plug, it has its disadvantages: (1) since there is no way to anchor the packers to the casing, not as much pressure can be built up between the packers; (2) since the packers are physically connected, there is no flexibility to accommodate the varying depths of each zone. To compensate for that, the packers often have to be removed from the well and readjusted.

The *retrievable bridge plug* involved in the questioned patents was developed by Baker Oil Tools, Inc. as an improvement over *the permanent bridge plug* and *straddle packer* systems. It is essentially composed of a retrievable bridge plug, an upper packer and a releasable connection between them. The packer and plug are attached

on the surface and run down into the well together. When they reach the zone to be treated, the retrievable bridge plug is placed below the perforations in that zone and released from the upper packer. When it is released, the plug seals the casing and prevents the flow of fluid past it. The upper packer is then pulled up and located at the upper end of the perforations, thereby sealing the zone at the top and isolating that zone. Fluid is pumped through a tube inserted in the center of the packer and then through perforations. After the zone is treated, the packer is lowered and connected with the bridge plug. Together they are moved upward and the same procedure is repeated with another zone.

The retrievable bridge plug combines all of the advantages of the other methods: all zones may be treated in a single trip up the casing; no plug is left in the casing after treatment; since the packer plug may be connected and disconnected, spacing between the two may be varied to accommodate the varying depths of the zone; and the plug is able to withstand great pressure.

Baker Tools built its first retrievable bridge plug, Model A, in 1953. Due to difficulty with the retrieving mechanism, a second model, Model B, was built. The primary difference in the two models was that "rocker type slips" were incorporated in Model B, making the bridge plug shorter, and presumably aiding the retrieving procedure. Patents on Model A ('346) were applied for on October 16, 1953. Prior to that time, Model B ('532) had been used in fifteen operations. Although fourteen proved successful, there was constant difficulty with the new "rocker slips" and retrieving mechanisms. Changes

were made, and Model C, the present Baker commercial model, was developed. Basically, Model C is similar to the models on which the patents were obtained.

After development of its retrievable bridge plug, Baker Tools entered into licensing agreements with several drilling companies. In fact, about 63,000 Baker plugs have been used.

Totem Oil Tools, Inc., was organized in 1961 by three former employees of Baker Tools, W. R. Lewis, W. W. Farrar and J. R. Lindley. These men possessed considerable knowledge of Baker's bridge plug device. Believing that a market existed for retrievable bridge plugs, they developed one which was eventually patented. Kiva Corporation was incorporated in August, 1963, to handle rentals of the Totem bridge plug.

II

Analysis

Probably the most serious aspect of this appeal is Baker's contention that the testimony of Virgil Greenroyd should have been excluded because it lacked sufficient corroboration to support its admissibility.

Greenroyd's testimony was intended to show prior public use of the tools in issue.

We first examine the law on the subject.

The Supreme Court in an opinion by Mr. Justice Brown in 1891 spoke as follows:

> "We have now to deal with certain unpatented devices, claimed to be complete anticipations of this patent, the existence and use of which are proven

only by oral testimony. In view of the unsatisfactory character of such testimony, arising from the forgetfulness of witnesses, their liability to mistakes, their proneness to recollect things as the party calling them would have them recollect them, aside from the temptation to actual perjury, courts have not only imposed upon defendants the burden of proving such devices, but have required that the proof shall be clear, satisfactory and beyond a reasonable doubt. Witnesses whose memories are prodded by the eagerness of interested parties to elicit testimony favorable to themselves are not usually to be depended upon for accurate information. The very fact, which courts as well as the public have not failed to recognize, that almost every important patent, from the cotton gin of Whitney to the one under consideration, has been attacked by the testimony of witnesses who imagined they had similar discoveries long before the patentee had claimed to have invented his device, has tended to throw a certain amount of discredit upon all that class of evidence, and to demand that it be subjected to the closest scrutiny. Indeed, the frequency with which testimony is tortured, or fabricated outright, to build up the defence of a prior use of the thing patented, goes far to justify the popular impression that the inventor may be treated as the lawful prey of the infringer. The doctrine was laid down by this court in *Coffin v. Ogden,* 18 Wall. 120, 124, that 'the burden of proof rests upon him,' the defendant, 'and every reasonable doubt should be resolved against him. If the thing were embryotic or inchoate; if it rested in speculation or experiment; if the process pursued for its development had failed to reach the point of consummation it cannot avail to defeat a patent founded upon a discovery or invention which was completed, while in the other case

there was only progress, however near that progress may have approximated to the end in view'."

The Barbed Wire Patent, 143 U.S. 275, 12 S.Ct. 443, 36 L.Ed. 154.

This case [and others] caused the Fifth Circuit to hold in 1949 that "prior use must be proved beyond a reasonable doubt, and that as a practical matter, it may be said that oral testimony alone, unsupported by writings, has not been and will not be accepted as sufficient", *Zachos v. Sherwin-Williams Company,* 177 F.2d 762, 763. See also *Metal Arts Company v. Fuller Company,* 5 Cir., 1968, 389 F.2d 319, and *Micr-Shield Company v. First National Bank of Miami,* supra.

By agreement of the parties, after the motion to exclude Greenroyd's testimony had been overruled, the Court instructed the jury as follows:

> "Here Kiva has the burden of coming forward with clear and convincing evidence to establish that the patents in suit are not valid. This is so, because the law gives the holder of a patent the benefit of a presumption that the patent is valid. In other words, the law presumes, in the absence of clear and convincing evidence to the contrary, that the Patent Office correctly issued the patent.
>
> "By the term 'clear and convincing evidence' is meant that degree of proof which is more than a mere preponderance of the evidence. It is evidence that will produce in your mind a firm belief or conviction as to the truth of the allegations sought to be established."

It is axiomatic that instructions agreed to below cannot be complained of here, but the appellant preserved

its point as to "oral testimony alone" by its motion to exclude, which was overruled. Was Greenroyd's testimony "supported by writings" as required by *Zachos*, supra? We believe it was.

Greenroyd worked for Steel Special Tools from 1948 to 1954, operating selective treating tools. He testified that during this time he ran retrievable bridge plugs, combination straddle tools, squeeze cement tools, straight straddle tools, and single packers in acidizing and fracturing oil well formations.

These exhibits of Steel Special Tools were introduced at the trial. Greenroyd identified them as a retrievable bridge plug, an upper packer, and a circulating valve. He testified that he used identical tools on July 18, 1950, in the same manner as that of Patent '532. A job ticket was introduced to show that Greenroyd did in fact perform a hydrofac job on that date. There was another ticket signed by him for a job done on August 4, 1951. There was another for April 27, 1953, which Greenroyd did not sign but it bore the signature of his employer. There was another for December 12, 1950. Greenroyd recalled and testified to the circumstances surrounding the use of the tool, the location of the wells, and the approximate times of day when he began or finished the jobs. He named some of those present at the time.

Baker says that this testimony was insufficient and should have been excluded from the consideration of the jury because the written job tickets did not describe the tool used. Therefore, the jury finding of prior public use is clearly erroneous as not being supported by the necessary documentary corroboration. In other words, Baker

seeks to invoke the "supported by writings" rule laid down by *Zachos v. Sherwin Williams Company,* supra.

In response, we note that so far as this record shows Greenroyd was a disinterested witness. He was not imagining that he invented the tools. His testimony was neither contradicted nor impeached. Indeed, it was not disputed. His testimony is not improbable on its face. There is nothing to indicate that he was a perjurer. The jury believed his testimony. Therefore, we believe the job tickets as so identified were "writings" in compliance with *Zachos,* supra. See *Whiteman v. Mathews,* 9 Cir., 1954, 216 F.2d 712, 716.

II

Appellant asserts that the question of the "obviousness" of the '532 claim was properly one for the court and not the jury. Although there has been much dispute concerning whether the question of "obvious" is one of fact or of law, it has now been established in this Circuit that it is a question of law, *Swofford v. B & W, Inc.,* 5 Cir., 1968, 395 F.2d 362, and thus fully reviewable on appeal.

The court below instructed the jury that, as a matter of law, a patent could not be obtained if the differences between the subject matter sought to be patented and the prior art "would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains". Later, however, the court submitted the question of the obviousness of '532 to the jury in Special Issue No. 10. Baker moved for a judgment notwithstanding the verdict on

the ground that Special Issue No. 10 was a conclusion of law. The motion was overruled.

Since the court had the opportunity to rule on the question of whether the issue should have been submitted to the jury, on review the appellate court is not bound by the clearly erroneous standard.

To prove that '532 was obvious, Kiya again relied on the testimony of Greenroyd, who stated that he had used a retrievable bridge plug in the early nineteen fifties. The jury found this as a primary fact. We, therefore, decide the ultimate fact as did the court below when it denied a judgment notwithstanding the verdict.

III

In order for a patent to be valid, the patented device must be "new". 35 U.S.C. 101. The jury found that the claims in issue in '532 were not "new". Appellant attacks that finding. Novelty does not exist under the patent laws

> ". . . if patented device has been anticipated by a prior device, whether patented or not; that is, novelty is lacking if all the elements of the patent, or their equivalents are found in a single prior art structure where they do substantially the same work in the same way."

A. J. Industries, Inc. v. Dayton Steel Foundry Company, 6 Cir., 1968, 394 F.2d 357. However, the device need not be "broadly or generically new. It is sufficient if its novelty is but an improvement on a prior patent". *Murray Company of Texas, Inc. v. Continental Gin Company*, 5 Cir., 1959, 264 F.2d 65, 69.

Since the only arguably novel idea in Baker's bridge plug was the fact that it was retrievable, the question

then becomes whether earlier bridge plugs were retrievable. Again the burden is on the party attacking the patent to prove by clear and convincing evidence that it is not "new". 35 U.S.C. 282; *King-Seeley Thermos Company v. Refrigerated Dispensers, Inc.*, 10. Cir., 1965, 354 F.2d 533.

Again, if the jury believed Greenroyd's testimony, and the verdict shows that it did, we must apply the *Boeing* standard and, applying it, leave the verdict undisturbed. We agree with what the Ninth Circuit said in *Whiteman v. Mathews*, supra, to the effect that the trial court is not required to discard credible testimony because it is oral and because it deals with events and circumstances long past. If the evidence is such that it would be accepted as satisfactory and convincing as to any other issue then it must be accorded the same status on the question of newness in a patent case.

IV

We have critically examined the record and briefs as to the verdicts on Patent '346. Baker submits that some of them are in irreconcilable conflict but we do not find them so. Fundamentally, the issues are factual. We have applied the *Boeing* test and we are entirely convinced that these verdicts are supported by substantial evidence in the record as a whole. The same is to be said of the verdict as to lack of infringement. We therefore refrain from a protracted factual evaluation in this opinion which, in our view, could contribute nothing of importance to the existing law.

The Judgment of the District Court is

AFFIRMED.

Appendix D

JURY VERDICT

Filed: April 5, 1968

Bearing in mind the foregoing instructions and definitions, you will answer the following special issues:

SPECIAL ISSUE NO. 1:

Do you find from clear and convincing evidence that the applicants for patent '346, at the time of filing the application on October 12, 1953, did not set forth the best mode contemplated by them of carrying out their invention?

Answer "they did" or "they did not"

Answer They did not

(To find "they did not" you must find that they did not file the best mode and knew at such time that it was not the best mode.)

SPECIAL ISSUE NO. 2:

Do you find from clear and convincing evidence that the applicants for patent '532, at the time of filing the application on October 12, 1953, did not set forth the best mode contemplated by them of carrying out their invention?

Answer "they did" or "they did not"

Answer They did

(To find "they did not" you must find that they did not file the best mode and knew at such time that it was not the best mode.)

SPECIAL ISSUE NO. 3:

Do you find from clear and convincing evidence that the '346 patent does not illustrate and describe an operative device?

Answer "it does" or "it does not"

Answer It does not

SPECIAL ISSUE NO. 4:

Did you find from clear and convincing evidence that the '532 patent does not illustrate and describe an operative device?

Answer "it does" or "it does not"

Answer It does

SPECIAL ISSUE NO. 5:

Do you find from clear and convincing evidence that the specification of the '346 patent does not contain a written description of the invention and of the manner and process of making and using it in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains or with which it is most nearly connected to make and use the same?

Answer "it does" or "it does not"

Answer It does

SPECIAL ISSUE NO. 6:

Do you find from clear and convincing evidence that the specification of the '532 patent does not contain a written description of the invention and of the manner and process of making and using it in such full, clear,

concise, and exact terms as to enable any person skilled in the art to which it pertains or with which it is most nearly connected to make and use the same?

Answer "it does" or "it does not"

Answer It does

SPECIAL ISSUE NO. 7:

Do you find from clear and convincing evidence that any of the claims in issue of the '346 patent do not particularly point out and distinctly claim the subject matter which the applicants regarded as their invention?

Answer "it does" or "it does not" as to each of the following:

Claim 1	It does	Claim 12	It does
Claim 2	It does	Claim 14	It does
Claim 3	It does	Claim 15	It does
Claim 4	It does	Claim 16	It does
Claim 5	It does	Claim 17	It does
Claim 6	It does	Claim 21	It does
Claim 7	It does	Claim 22	It does
Claim 8	It does	Claim 27	It does
Claim 9	It does	Claim 28	It does
Claim 10	It does	Claim 29	It does
Claim 11	It does		

SPECIAL ISSUE NO. 8:

Do you find from clear and convincing evidence that any of the claims in issue of the '532 patent do not particularly point out and distinctly claim the subject matter which the applicants for the patent regarded as their invention?

Answer "It does" or "It does not" as to each of the following:

Claim 1	It does	Claim 8	It does
Claim 2	It does	Claim 9	It does
Claim 3	It does	Claim 11	It does
Claim 4	It does	Claim 12	It does
Claim 5	It does	Claim 13	It does
Claim 6	It does	Claim 14	It does
Claim 7	It does		

SPECIAL ISSUE NO. 9:

Do you find from clear and convincing evidence that the difference between the subject matter of the claims, taken individually, of the '346 patent and the prior art are such that the subject matter thereof as a whole would have been obvious at the time the alleged invention thereof was made to a person having ordinary skill in the art to which said subject matter pertains?

Answer "yes" or "no" as to each of the following:

Claim 1	Yes	Claim 12	Yes
Claim 2	Yes	Claim 14	Yes
Claim 3	Yes	Claim 15	Yes
Claim 4	Yes	Claim 16	Yes
Claim 6	Yes	Claim 17	Yes
Claim 7	Yes	Claim 21	Yes
Claim 8	Yes	Claim 22	Yes
Claim 9	Yes	Claim 27	Yes
Claim 10	Yes	Claim 28	Yes
Claim 11	Yes	Claim 29	Yes

SPECIAL ISSUE NO. 10:

Do you find from clear and convincing evidence that the difference between the subject matter of the claims,

taken individually, of the '532 patent and the prior art are such that the subject matter thereof as a whole would have been obvious at the time the alleged invention thereof was made to a person having ordinary skill in the art to which said subject matter pertains?

Answer "yes" or "no" as to each of the following:

Claim 1	Yes	Claim 8	Yes
Claim 2	Yes	Claim 9	Yes
Claim 3	Yes	Claim 11	Yes
Claim 4	Yes	Claim 12	Yes
Claim 5	Yes	Claim 13	Yes
Claim 6	Yes	Claim 14	Yes
Claim 7	Yes		

SPECIAL ISSUE NO. 11:

Do you find from clear and convincing evidence that any of the claims in issue in the '346 patent are not 'new'' within the meaning of that word as used in the patent laws?

Answer "It is not" or "It is" as to each of the following:

Claim 1	It is not	Claim 12	It is not
Claim 2	It is not	Claim 14	It is not
Claim 3	It is not	Claim 15	It is not
Claim 4	It is not	Claim 16	It is not
Claim 6	It is not	Claim 17	It is not
Claim 7	It is not	Claim 21	It is not
Claim 8	It is not	Claim 22	It is not
Claim 9	It is not	Claim 27	It is not
Claim 10	It is not	Claim 28	It is not
Claim 11	It is not	Claim 29	It is not

SPECIAL ISSUE NO. 12:

Do you find from clear and convincing evidence that any of the claims in issue in the '532 patent are not "new" within the meaning of that word as used in the patent laws?

Answer "It is not" or "It is" as to each of the following:

Claim 1	It is not	Claim 8	It is not
Claim 2	It is not	Claim 9	It is not
Claim 3	It is not	Claim 11	It is not
Claim 4	It is not	Claim 12	It is not
Claim 5	It is not	Claim 13	It is not
Claim 6	It is not	Claim 14	It is not
Claim 7	It is not		

SPECIAL ISSUE NO. 13:

Do you find from clear and convincing evidence that the apparatus or method, as the case may be, of any of the claims in issue of the '532 patent was in public use either more than a year prior to the filing date, October 12, 1953, of the '532 patent or before the alleged invention thereof by the applicants for the '532 patent?

Answer "It was" or "It was not" as to each of the following:

Claim 1	It was	Claim 8	It was
Claim 2	It was	Claim 9	It was
Claim 3	It was	Claim 11	It was
Claim 4	It was	Claim 12	It was
Claim 5	It was	Claim 13	It was
Claim 6	It was	Claim 14	It was
Claim 7	It was		

SPECIAL ISSUE NO. 14:

Do you find from clear and convincing evidence that the invention claimed in the '346 patent is the same invention claimed in Model C Patent No. 2,751,012?

Answer "yes" or "no"

Answer No

SPECIAL ISSUE NO. 15:

Do you find from a preponderance of the evidence that the Kiva retrievable bridge plug infringes any of the claims in issue of the '346 patent?

Answer "yes" or "no" as to each of the following:

Claim 1	No	Claim 12	No
Claim 2	No	Claim 14	No
Claim 3	No	Claim 15	No
Claim 4	No	Claim 16	No
Claim 6	No	Claim 17	No
Claim 7	No	Claim 21	No
Claim 8	No	Claim 22	No
Claim 9	No	Claim 27	No
Claim 10	No	Claim 28	No
Claim 11	No	Claim 29	No

SPECIAL ISSUE NO. 16:

Do you find from a preponderance of the evidence that Baker delayed unreasonably in contending that the Kiva retrievable bridge plug infringed the '346 patent? (Refer to Instruction No. 13 before you answer this Special Issue.)

Answer "yes" or "no"

Answer No

You will retire to the jury room select your own foreman and write your answers to the special issues in the blank space left after each special issue for that purpose.

Your foreman will sign the form of verdict as it is shown below.

(Signed) Sarah T. Hughes
U.S. District Judge

VERDICT:

We, the Jury, have answered the foregoing special issues as indicated above and herewith return the same into court as our verdict in this case.

(Signed) J. A. Gay
Foreman of the Jury

Appendix E

Filed: June 3, 1968

In the United States District Court for the
Northern District of Texas
Wichita Falls Division

Civil Action No. 7-231

Kiva Corporation, Plaintiff,

vs.

Baker Oil Tools, Inc., Defendant.

JUDGMENT

This cause coming on to be heard, before Her Honor, Sarah T. Hughes, District Judge, and a jury, at the Spring Term of the District Court of the United States, for the Northern District of Texas, Wichita Falls Division, and the Court having submitted issues to the jury, and the jury having answered, as follows:

1. At the time of filing the application for United States Letters Patent No. 2,799,346, the applicants for the patent did not set forth the best mode contemplated by them of carrying out their invention.

2. United States Letters Patent No. 2,799,346 does not illustrate and describe an operative device.

3. The difference between the subject matter of each of Claims 1-4, 6-12, 14-17, 21, 22, and 27-29 of United States Letters Patent No. 2,799,346 and the prior art is such that the subject matter thereof, as a whole, would have been obvious at the time the alleged invention thereof was made, to a person having ordinary skill in the art to which said subject matter pertains.

4. The difference between the subject matter of each of Claims 1-9 and 11-14 of United States Letters Patent No. 2,806,532 and the prior art is such that the subject matter thereof, as a whole, would have been obvious at the time the alleged invention thereof was made, to a person having ordinary skill in the art to which such subject matter pertains.

5. Each of Claims 1-4, 6-12, 14-17, 21, 22, and 27-29 of United States Letters Patent No. 2,799,346 is not "new" within the meaning of that word as used in the Patent Laws.

6. Each of Claims 1-9 and 11-14 of United States Letters Patent No. 2,806,532 is not "new" within the meaning of that word as used in the Patent Laws.

7. The apparatus or method, as the case may be, of each of Claims 1-9 and 11-14 of United States Letters Patent No. 2,806,532 was in public use either more than a year prior to the filing date of said Patent or before the alleged invention thereof by the applicants for said Patent.

8. The Kiva retrievable bridge plug does not infringe any of Claims 1-4, 6-12, 14-17, 21, 22 and 27-29 of United States Letters Patent No. 2,799,346.

Upon motion of Jerry J. Dunlap and Milburn E. Nutt, attorneys for Plaintiff, it is ORDERED, ADJUDGED AND DECREED that:

1. Each of Claims 1-4, 6-12, 14-17, 21, 22, and 27-29 of United States Letters Patent No. 2,799,346 issued July 16, 1957, to Baker Oil Tools, Inc. and entitled "Retrievable Bridge Plug" is invalid.

2. Each of Claims 1-9 and 11-14 of United States Letters Patent No. 2,806,532 issued September 17, 1957, to Baker Oil Tools, Inc. and entitled "Method and Apparatus for Pressuring Well Bores" is invalid.

3. None of Claims 1-4, 6-12, 14-17, 21, 22, and 27-29 of United States Letters Patent No. 2,799,346 have been infringed by Plaintiff, even if such claims were valid.

4. Defendant shall take nothing by its Counterclaim.

5. Plaintiff shall have judgment for its costs.

SIGNED this 31 day of May, 1968.

(Signed) SARAH T. HUGHES
Sarah T. Hughes
United States District Judge

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SEP 25 1969
JOHN F. DAVIS, CLERK

In the

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1969

No. 506

BAKER OIL TOOLS, INC.,
Petitioner,

VERSUS

KIVA CORPORATION,
Respondent.

RESPONDENT'S BRIEF IN OPPOSITION TO PETITION FOR A WRIT OF CERTIARARI

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September, 1969.

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In the
Supreme Court of the United States

OCTOBER TERM, 1969

No. 506

BAKER OIL TOOLS, INC.,
Petitioner,

VERSUS

KIVA CORPORATION,
Respondent.

RESPONDENT'S BRIEF IN OPPOSITION TO PETITION FOR A WRIT OF CERTIARARI

STATEMENT OF THE CASE

The statement of the case set forth in the petition for a writ of certiorari should be supplemented as follows:

1. Prior Use Testimony

Mr. Greenroyd was an employee of Steel Special Tools from 1948 to 1954 and during that period of time used tools constructed in the same manner as the tools produced at the trial, Exhibits 54, 53 and 121 (Tr. 311-314). Three of the job tickets (Exhibits 45, 49 and 51, Tr. 105, 110 and 114, Vol. III), used to corroborate the testimony of Mr. Greenroyd were signed by Mr. Greenroyd. The testimony of Mr. Greenroyd was not contradicted.

The physical specimens of well tools (Exhibits 54, 53 and 121) introduced into evidence were purchased by Schlumberger Technology Corporation in 1964 from Mr.

Earl Steel, the owner of Steel Special Tools (Tr. 619). At that time, the tools were identified by Mr. Steel to Mr. Fidler of Schlumberger as being a retrievable bridge plug, packer and bypass, respectively (Tr. 622, 623).

2. Development of the Patented Bridge Plug

Prior to the filing date of the patents in suit (October 12, 1953), petitioner made a single retrieving device constructed substantially as disclose[redacted] the '346 and '532 patents (Tr. 585-612). The first and only time that retrieving device was run in the field, in April, 1953, the retrieving device became clogged with sand; would not retrieve the bridge plug from the well, and was never used again (Tr. 258-262). A modification of the retrieving device was tested in 1964 (Tr. 486) in anticipation of testimony to be given in a previous suit between petitioner and Schlumberger Technology Corporation, but the retrieving device has never been released to the field service people of petitioner for use in commercial operations (Tr. 496).

Petitioner made a total of two bridge plugs constructed substantially as disclosed in both the '346 and '352 patents, and referred to such plugs as the Model A (Tr. 589). The first Model A plug was run in a well in April 1953 and could not be recovered from the well, although efforts were made to do so (Tr. 260, 585 and 586).

The second and last Model A bridge plug was run in a well on June 30, 1953, and although it was retrieved from the well, the run was considered unsuccessful (Tr. 260, 629 and 630). At that time, petitioner was in the process of designing an improved bridge plug which later was designated as the Model B (Tr. 589, 590, 630-632). The Model B

bridge plug varied from the Model A in several respects (Tr. 182, 184) and is disclosed in petitioner's patent No. 2,751,012 filed April 26, 1954 (Tr. 85-96, Vol. III). Prior to the filing date of the '346 and '532 patents (which both disclose the Model A bridge plug) petitioner made fourteen successful runs of the Model B bridge plug (Tr. 261, 591).

3. Jury Instructions and Conduct of the Trial

The instructions given to the jury (Tr. 51-62), as well as the special issues (interrogatories) (App. D) were agreed upon by both parties. Throughout the trial of the case, the '532 patent was referred to as the "method" patent by the Court (Tr. 51, 86) and the attorneys for both parties, although, as a matter of fact, the '532 patent contains both method and apparatus claims.

ARGUMENT

First Question

1. A study of the complete opinions of this Court relating to prior public use clearly reveals that *the standard of proof required to establish a prior public use is that the evidence must be clear and satisfactory*, and not that the evidence must include a prior written description or photograph of the invention as contended by petitioner.

Petitioner's position appears to be based on the two sentences from *Smith* v. *Hall*, 301 U.S. 216, 57 S.Ct. 711, 81 L.Ed. 1049, quoted on page 8 of the petition for a writ of certiorari. However, this Court held in that case that the evidence was sufficient to establish a prior public use, such that the statements quoted by petitioner are clearly dicta if interpreted as proposed by petitioner.

In *The Barbed Wire Patent* case, 143 U.S. 275, 284, 12 S.Ct. 443, 450, 36 L.Ed. 154 (cited by petitioner), the evidence was conflicting and therefore not clear and satisfactory. As noted by the Court of Appeals below (App. C, p. XIV) the standard as expressed in *The Barbed Wire Patent* was "the proof shall be clear, satisfactory and beyond a reasonable doubt."

In *Deering* v. *Winona Harvester Works*, 155 U.S. 286, 300, 15 S.Ct. 118, 39 L.Ed. 153 (cited by petitioner), the testimony sought to be relied upon was contradicted by other testimony and by an exhibit, such that the evidence was not clear and satisfactory. Further, the primary witness relied upon to show an anticipation was interested in the outcome of the case.

In *Eible Process Co.* v. *Minnesota and Ontario Paper Co.*, 261 U.S. 45, 60, 43 S.Ct. 327, 67 L.Ed. 523 (cited by petitioner), the testimony was indefinite as to date as well as to the prior structure employed. The standard applied was stated by this Court as being "evidence to prove prior discovery must be clear and satisfactory."

In *Corona Cord Tire Co.* v. *Donovan Corporation*, 276 U.S. 358, 48 S.Ct. 380, 72 L.Ed. 610 (cited but not discussed by petitioner), there were written records of laboratory tests showing previous discovery of the invention. However, this Court held that a prior sale was satisfactorily shown by the testimony of a single witness supported only by a memorandum shipping order showing the date of shipment, but not describing the invention. This Court (276 U.S. at p. 382) stated "The fact that he is the only witness is not fatal or reason for denying the weight of his testimony in connection with other circumstances."

In the present case, and as was noted by the Court of Appeals below (App. C, p. XV), the jury was instructed as to the proper standard to be applied in the following words:

> "Here Kiva has the burden of coming forward with clear and convincing evidence to establish that the patents in suit are not valid. This is so, because the law gives the holder of a patent the benefit of a presumption that the patent is valid. In other words, the law presumes, in the absence of clear and convincing evidence to the contrary, that the Patent Office correctly issued the patent.
>
> "By the term 'clear and convincing evidence' is meant that degree of proof which is more than a mere preponderance of the evidence. It is evidence that will produce in your mind a firm belief or conviction as to the truth of the allegations sought to be established."

The jury found (App. D, p. XXV) in response to this instruction, that there had been a prior public use of the invention defined by the claims in issue of the '532 patent. The District Court refused to set aside the jury finding (Tr. 72-76, 79), on a motion for judgment notwithstanding the verdict, and the Court of Appeals affirmed (App. C, p. XXVII).

In affirming, the Court of Appeals below applied the exacting standard of the Fifth Circuit that oral testimony must be supported by "writings" (App. C, p. XV) and specifically found that the job tickets were "writings" (App. C, p. XVII).

The standard of evidence applied by the Courts below was clearly within the standard applied by this Court in all prior cases.

2. The standard applied by the Court of Appeals below is not only not in conflict with, but is more strict than, the standards applied in other circuits. For example:

In the 7th Circuit, the Court has specifically held:

> "We do not think that it can be held, as a matter of law, that oral testimony is insufficient." *Becker* v. *Electronic Service Supplies Co.*, 98 F.2d 366, 368. See also *Twyman* v. *Radiant Glass Co.*, 8 Cir., 56 F.2d 119.

The Court of Appeals for the 9th Circuit, in *Paraffin Companies* v. *McEverlest, Inc.*, 94 F.2d 335, after specifically stating that certain documentary evidence having questionable identification would be disregarded, quoted with approval its prior decision in *Rowen* v. *Brake Testing Equipment Corp.*, 9 Cir., 38 F.2d 220, 224:

> "To reject such testimony taken as a whole, or to decline to believe it, would, in effect, be to nullify the provision of the statute by exacting an impossible standard of evidence. The testimony is not contradicted, is not inherently improbable, and would, we think, be accepted as satisfactory and convincing, if not wholly conclusive, in any other kind of case, criminal or civil."

Second Question

Part (a)

Petitioner first objects to the special issues (interrogatories) presented to the jury as not being in accordance with *Graham* v. *John Deere*, 383 U.S. 1, 14, 86 S.Ct. 684, 692, 15 L.Ed.2d 546. However, petitioner failed to inform this Court that the special issues submitted to the jury were agreed upon by the parties prior to the time the jury was instructed and presented the special issues. Further, dur-

ing the course of the trial, the attorney for petitioner objected to opinions on obviousness, stating that that was an issue to be determined by the jury (Tr. 165, 174). Petitioner, therefore, did not reserve its right to object to the charge or issues. *Safeway Stores, Inc.* v. *Dial*, 5 Cir., 311 F.2d 595, *American Cyanamid Company* v. *M. G. Sprato et al.*, 5 Cir., 267 F.2d 425, 430.

> "Of course, neither by a special nor by a general verdict has a jury any right to decide questions of law. Commonwealth v. Anthes, 5 Gray 185. Whittaker v. Brookline, 318 Mass. 19, 23-24, 60 NE2d 85. That function belongs exclusively to the court. But on this record the question now sought to be raised is not open. The district did not object to the special questions when they were submitted (as was done in the Whittaker case) and no exceptions were taken to that method of dealing with the cases. The questions were submitted at the time of, and in conjunction with, the charge. Indeed, the charge was to a considerable extent adapted to the questions. The questions and the charge were linked together. Not only were there no objections or exceptions to either the questions or the charge but, so far as appears, no requests for instructions were presented. The Judge had the right therefore to assume that the method of dealing with the case which he had adopted was not open to the object now urged. The exceptions now pressed are a belated and indirect attempt to challenge the charge. Had the answers to the questions been favorable to the district we have little doubt that it would have insisted that the disposition of the cases be grounded on them. Having been content with the manner in which the cases were submitted, the district is now in no position to complain and must abide by the result. See McDonough Co. v. Lennox, 248 Mass. 421, 423-424, 43 NE 346."

Newton Construction Co. v. *West and South Water Supply District of Action,* Mass., 1950, 93 N.E.2d 457, 461.

Petitioner has had a judicial evaluation of its '346 patent. Petitioner, in its motion for judgment N.O.V., and motion for new trial, specifically contended that it was error to submit the issue on "obviousness" to the jury on the ground that such issue related to a conclusion of law (Tr. 75). Petitioner's motion was briefed and argued to the District Court and the motions were denied (Tr. 79). This same issue was raised with the Court of Appeals; the Court of Appeals thoroughly reviewed the matter (App. C, p. XVII and XVIII) and concluded that the action was proper. Although this latter discussion by the Court of Appeals was with respect to the '532 patent, it is believed clear that the Court of Appeals also thoroughly considered the "obviousness" issue with respect to the '346 patent and reached the same conclusion (App. C, p. XIX).

Part (b)

Petitioner's allegation that certain answers of the jury are in irreconcilable conflict ignores the manner in which the case was presented to the jury by agreement of the parties, as well as the wording of certain of the issues.

As noted by petitioner, both the '346 and the '532 patent disclose the same apparatus. However, during the trial of the case, the jury was informed that the '346 patent was directed to the bridge plug and the '532 patent was a method patent (Tr. 51, 86) and the jury simply followed such presentation in answering the special issues.

As noted in the revised statement of the case set forth above, there was substantial evidence that the bridge plug

disclosed in the '346 patent was not the best mode contemplated by the applicants for the patent at the time the application was filed; hence, the jury's answer to special issue No. 1. On the other hand, there was no evidence that the method disclosed in the '532 patent was not the best mode contemplated by the applicants at the time the application was filed; hence, the jury's answer to special issue No. 2. The jury was undoubtedly construing "best mode" in special issue No. 2 as relating to the method, and in view of the fact that petitioner agreed upon the special issues submitted, petitioner should not now be heard to complain. That is no conflict in the jury's answers to special issues Nos. 1 and 2.

As also noted in the foregoing revised statement of the case, there was substantial evidence that the '346 patent did not illustrate and describe an operative bridge plug; hence, the jury's answer to special issue No. 3. On the other hand, there was no evidence that the method disclosed in the '532 patent was not operative; hence, the jury's answer to special issue No. 4. In view of the fact that the same apparatus is disclosed in both patents, it seems clear to everyone except petitioner that the word "device" is used in a different sense in special issues Nos. 3 and 4. The word "device" is properly used to refer to either an apparatus or a method.

The finding of the jury on special issue No. 5 that the '346 patent contains a sufficient written description is not in conflict with the answer to special issue No. 3 that the '346 patent does not disclose an operative device. As noted above, there was substantial evidence that the Model A bridge plug disclosed in the '346 patent would not perform

its intended function; whereas, respondent's expert witness admitted that he understood the construction and operation of the bridge plug from the disclosure of the '346 patent (Tr. 219, 220), which would be sufficient to support the jury's finding in response to special issue No. 5, but such admission does not mean that the bridge plug disclosed would perform its intended function.

Petitioner's position that the Court of Appeals made no effort to reconcile what appears to petitioner as being conflicting answers is simply not understood. The statement of the Court of Appeals quoted by petitioner on page 17 of the petition for a writ of certiorari clearly shows that the issue was considered by the Court of Appeals. Petitioner cites no authority requiring a Court of Appeals to go through a written exercise for the enlightenment of the losing party. As acknowledged by petitioner on page 18 of the petition for a writ of certiorari, a reconciliation of the jury answers in writing by the Court of Appeals would be of little value in another case with different facts.

The Court of Appeals and the District Court followed well accepted courses of judicial proceedings, and there is no need for this Court to exercise its power of supervision.

CONCLUSION

It is respectfully submitted that the petition for a writ of certiorari should be denied.

Dated, Oklahoma City, Oklahoma, September 22, 1969.

Respectfully submitted,

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